

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

USDC SDNY
DOCUMENT

ELECTRONICALLY FILED

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ORIGINAL

- v. -

DARREN STUMBERGER,

Defendant.

SEALED INFORMATION

19 Cr. 608 JPO

19 CRIM 608

COUNT ONE

(Conspiracy to Commit Securities Fraud)

The United States Attorney charges:

1. From at least in or about September 2015 through at least in or about March 2019, in the Southern District of New York and elsewhere, DARREN STUMBERGER, the defendant, and others known and unknown, willfully and knowingly did combine, conspire, confederate and agree together and with each other to commit an offense against the United States, to wit, securities fraud, in violation of Title 15, United States Code, Sections 78j(b) and 78ff, and Title 17, Code of Federal Regulations, Section 240.10b-5.

2. It was a part and an object of the conspiracy that DARREN STUMBERGER, the defendant, and others known and unknown, willfully and knowingly, directly and indirectly, by use of the means and instrumentalities of interstate commerce,

JUDGE OETKEN

and of the mails, and of the facilities of national securities exchanges, would and did use and employ, in connection with the purchase and sale of securities, manipulative and deceptive devices and contrivances, in violation of Title 17, Code of Federal Regulations, Section 240.10b-5 by: (a) employing devices, schemes, and artifices to defraud; (b) making untrue statements of material fact and omitting to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; and (c) engaging in acts, practices, and courses of business which operated and would operate as a fraud and deceit upon persons, in violation of Title 15, United States Code, Sections 78j(b) and 78ff.

Overt Acts

3. In furtherance of the conspiracy and to effect its illegal object, the following overt acts, among others, were committed in the Southern District of New York and elsewhere:

a. On or about February 3, 2017, a co-conspirator not named herein, in response to Live Well's immediate need for cash, directed another co-conspirator not named herein, who was in Manhattan, to submit inflated prices to a third-party pricing service.

(Title 18, United States Code, Section 371.)

COUNT TWO
(Conspiracy to Commit Wire and Bank Fraud)

The United States Attorney further charges:

4. From at least in or about September 2015 through at least in or about March 2019, in the Southern District of New York and elsewhere, DARREN STUMBERGER, the defendant, and others known and unknown, willfully and knowingly combined, conspired, confederated, and agreed together and with each other to commit wire fraud, in violation of Title 18, United States Code, Section 1343 and bank fraud, in violation of Title 18, United State Code, Section 1344.

5. It was a part and an object of the conspiracy that DARREN STUMBERGER, the defendant, and others known and unknown willfully and knowingly, having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, would and did transmit and cause to be transmitted by means of wire, radio, and television communication in interstate and foreign commerce, writings, signs, signals, pictures, and sounds for the purpose of executing such scheme and artifice, in violation of Title 18, United States Code, Section 1343.

6. It was a further part and object of the conspiracy that DARREN STUMBERGER, the defendant, and others known and unknown, willfully and knowingly would and did execute and attempt to execute a scheme and artifice to defraud financial institutions, the deposits of which were then insured by the FDIC, and to obtain moneys, funds, credits, assets, securities, and other property owned by, and under the custody and control of, such financial institutions, by means of false and fraudulent pretenses, representations, and promises, in violation of Title 18, United States Code, Section 1344.

(Title 18, United States Code, Section 1349.)

COUNT THREE
(Securities Fraud)

The United States Attorney further charges:

7. From at least in or about September 2015 through at least in or about March 2019, in the Southern District of New York and elsewhere, DARREN STUMBERGER, the defendant, willfully and knowingly, directly and indirectly, by use of the means and instrumentalities of interstate commerce, and of the mails and of the facilities of national securities exchanges, used and employed, in connection with the purchase and sale of securities, manipulative and deceptive devices and contrivances, in violation of Title 17, Code of Federal

Regulations, Section 240.10b-5, by: (a) employing devices, schemes, and artifices to defraud; (b) making untrue statements of material fact and omitting to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; and (c) engaging in acts, practices, and courses of business which operated and would operate as a fraud and deceit upon persons, and did willfully cause the same, to wit, STUMBERGER engaged in a scheme to defraud various counterparties of Live Well in repurchase agreement ("repo") transactions by misrepresenting the value of certain bonds to be sold as part of these transactions, and causing others to do so, in order to induce these counterparties to purchase the bonds at higher prices than they otherwise would have accepted.

(Title 15, United States Code, Sections 78j(b) & 78ff; Title 17, Code of Federal Regulations, Sections 240.10b-5; and Title 18, United States Code, Section 2.)

COUNT FOUR
(Wire Fraud)

The United States Attorney further charges:

8. From at least in or about September 2015 through at least in or about March 2019, in the Southern District of New York and elsewhere, DARREN STUMBERGER, the defendant,

willfully and knowingly, having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, transmitted and caused to be transmitted by means of wire, radio, and television communication in interstate and foreign commerce, writings, signs, signals, pictures, and sounds for the purpose of executing such scheme and artifice, to wit, STUMBERGER engaged in a scheme to defraud various counterparties in repo transactions and other lending agreements, by misrepresenting the value of certain bonds to be sold as part of these transactions or otherwise used as loan collateral, and causing others to do so, in order to induce these counterparties purchase the bonds at a higher prices than they otherwise would have accepted or to loan more money to Live Well than they otherwise would have extended.

(Title 18, United States Code, Sections 1343 and 2.)

COUNT FIVE
(Bank Fraud)

The United States Attorney further charges:

9. From at least in or about March 2017, up to and including at least in or about March 2019, in the Southern District of New York and elsewhere, DARREN STUMBERGER, the

defendant, willfully and knowingly did execute and attempt to execute a scheme and artifice to defraud a financial institution, the deposits of which were then insured by the Federal Deposit Insurance Corporation ("FDIC"), and to obtain moneys, funds, credits, assets, securities, and other property owned by, and under the custody and control of, such financial institution, by means of false and fraudulent pretenses, representations, and promises, to wit, STUMBERGER engaged in a scheme to defraud a bank ("Bank-1") by misrepresenting the value of certain collateral, and causing others to do so, in order to induce Bank-1 to make loans secured by the collateral in greater amounts than those that Bank-1 would otherwise extend.

(Title 18, United States Code, Sections 1344 and 2.)

FORFEITURE ALLEGATION

10. As a result of committing one or more of the offenses charged in Counts One through Five of this Information, DARREN STUMBERGER, the defendant, shall forfeit to the United States, pursuant to Title 18, United States Code, Sections 981(a)(1)(C) and 982(a)(2)(A) and Title 28, United States Code, Section 2461, all property, real and personal, that constitutes or is derived from proceeds traceable to the commission of said offenses, including but

not limited to a sum of money in United States currency representing the amount of proceeds traceable to the commission of said offenses that the defendant personally obtained.

Substitute Asset Provision

11. If any of the above-described forfeitable property, as a result of any act or omission of the defendant:

(1) cannot be located upon the exercise of due diligence;

(2) has been transferred or sold to, or deposited with, a third person;

(3) has been placed beyond the jurisdiction of the Court;

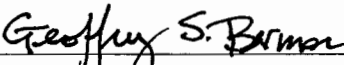
(4) has been substantially diminished in value; or

(5) has been commingled with other property which cannot be subdivided without difficulty;

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p) and Title 28, United States Code, Section 2461(c), to seek forfeiture of any other

property of the defendant up to the value of the above
forfeitable property.

(Title 18, United States Code, Sections 981(a)(1)(C) and
982(a)(2)(A); Title 21, United States Code, Section 853(p);
Title 28, United States Code, Section 2461.)



GEOFFREY S. BERMAN
United States Attorney

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(Title 15, United States Code, Sections 78j(b) and 78ff; Title 17, Code of Federal Regulations, Sections 240.10b-5; Title 18, United States Code, Sections 2, 371, 1343, 1344, and 1349.)

GEOFFREY S. BERMAN
United States
Attorney
